

Long Range Facilities Task Force

Bond Overview

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Capital Financing Options

Bonds are the primary method used by Washington school districts to finance the local share of capital projects because:

- Cash is generated up front
- Payments can be spread over time

Types of School District Bonds

- Voted, unlimited tax general obligation bonds (UTGO)
- Non-Voted, limited general obligation bonds (LGO)

Other Capital Financing Options

- ❖ Conditional sales contracts
 - Considered debt and are non-voted
 - Paid from general district revenues
- ❖ Qualified Zone Academy Bonds (QZAB's)
- ❖ Capital Projects Levy

Voted Debt Capacity

Voted Debt Capacity

2012 Bond Assessed Value	\$ 2,849,222,008
Statutory Capacity Rate	<u>5.000%</u>
Total Statutory Capacity	\$ 142,461,100
Less: Outstanding Voted Debt	\$ (5,025,000)
Less: Outstanding Non-Voted Debt	-
Plus: Debt Service Fund Balance	\$ <u>2,017,417</u>
Remaining Capacity	\$ <u>139,453,517</u>

Voter approved bonds (UTGO)

- Repaid with property taxes
- Approved with a 60% yes vote, 40% validation
- 5% debt capacity

Non-Voted Debt Capacity

Non-Voted Debt Capacity

2012 Bond Assessed Value	\$ 2,849,222,008
Statutory Capacity Rate	<u>0.375%</u>
Total Statutory Capacity	<u>\$ 10,684,583</u>
Less: Outstanding Non-Voted Debt	-
Less: Refundings Use of Non-Voted Capacity (est.)	<u>(285,000)</u>
Remaining Capacity	<u><u>\$ 10,399,583</u></u>

Non-voted bonds (LGO)

- Repaid with existing revenue
- Can't be used for "new" construction
- 0.375% statutory capacity
- Approved with 50% yes vote, no validation.

Projected Debt Capacity *(in thousands)*

Date	Assessed Valuation	Debt Capacity (5% of AV)	Outstanding Debt	Unused Capacity	
				Amount	Percent
12/1/2012	2,849,222	142,461	3,870	138,591	97.3%
12/1/2013	2,877,714	143,886	2,645	141,241	98.2%
12/1/2014	2,906,491	145,325	1,355	143,970	99.1%
12/1/2015	2,935,556	146,778	-	146,778	100.0%
12/1/2016	2,964,912	148,246	-	148,246	100.0%
12/1/2017	2,994,561	149,728	-	149,728	100.0%
12/1/2018	3,024,507	151,225	-	151,225	100.0%
12/1/2019	3,054,752	152,738	-	152,738	100.0%
12/1/2020	3,085,299	154,265	-	154,265	100.0%
12/1/2021	3,116,152	155,808	-	155,808	100.0%
12/1/2022	3,147,314	157,366	-	157,366	100.0%
12/1/2023	3,178,787	158,939	-	158,939	100.0%
12/1/2024	3,210,575	160,529	-	160,529	100.0%
12/1/2025	3,242,680	162,134	-	162,134	100.0%
12/1/2026	3,275,107	163,755	-	163,755	100.0%
12/1/2027	3,307,858	165,393	-	165,393	100.0%
12/1/2028	3,340,937	167,047	-	167,047	100.0%
12/1/2029	3,374,346	168,717	-	168,717	100.0%
12/1/2030	3,408,090	170,404	-	170,404	100.0%
12/1/2031	3,442,171	172,109	-	172,109	100.0%
12/1/2032	3,476,592	173,830	-	173,830	100.0%
12/1/2033	3,511,358	175,568	-	175,568	100.0%
12/1/2034	3,546,472	177,324	-	177,324	100.0%